

Message Text

CONFIDENTIAL

PAGE 01 STATE 168134

62

ORIGIN NEA-10

INFO OCT-01 ISO-00 ERDA-05 OES-06 AID-05 IO-13 ACDA-07

NRC-05 JUSE-00 SS-15 SSO-00 NSCE-00 NSC-05 L-03 EB-07

INR-07 INRE-00 CIAE-00 /089 R

DRAFTED BY NEA:DKUX/NH

APPROVED BY OES/NET:MKRATZER

NEA/PAB:RAPECK

NEA/PAB:RKMCKEE

----- 046314

O P 072144Z JUL 76

FM SECSTATE WASHDC

TO AMEMBASSY ISLAMABAD IMMEDIATE

INFO AMEMBASSY NEW DELHI PRIORITY

AMCONSUL BOMBAY PRIORITY

C O N F I D E N T I A L STATE 168134

E.O. 11652: N/A

TAGS: PFOR, MNUC, TECH, PK, IN

SUBJECT: URANIUM SHIPMENT TO INDIA

REF: ISLAMABAD 6798

1. YOU CAN DRAW ON THE FOLLOWING IN DISCUSSING THE TARAPUR CASE WITH THE PAKS:

2. THE NUCLEAR REGULATORY COMMISSION FOR A NUMBER OF MONTHS HAS BEEN CONSIDERING A LICENSE APPLICATION FOR ONE YEAR'S SUPPLY OF ENRICHED URANIUM FUEL FOR THE TARAPUR ATOMIC POWER STATION LOCATED NEAR BOMBAY AND CONSTRUCTED IN THE 1960'S UNDER THE U.S. AID PROGRAM. TARAPUR IS COVERED BY FULL IAEA SAFEGUARDS. UNDER A 1966 SUPPLY CONTRACT, THE U.S. HAS A 30-YEAR OBLIGATION TO PROVIDE FUEL FOR THE FACILITY AND, IN TURN, INDIA HAS AGREED THAT THE PLANT WILL
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 STATE 168134

OPERATE ONLY ON AMERICAN ENRICHED URANIUM.

2. THIS SPRING, ENVIRONMENTAL AND NON-PROLIFERATION GROUPS OPPOSED CONTINUED EXPORTS TO TARAPUR AND THE NRC AGREED TO HOLD A PUBLIC HEARING THIS SUMMER. BECAUSE OF VARIOUS DELAYS IN THE PUBLIC HEARING, THE USG URGED THAT THE NRC APPROVE A PARTIAL SHIPMENT OF FUEL TO AVERT A POTENTIAL

POWER CUT IN THE BOMBAY AREA WHILE THE NRC CONSIDERED THE BROADER ISSUES FOLLOWING THE JULY 20 PUBLIC HEARING. THE INDIAN ATOMIC ENERGY COMMISSION WOULD HAVE RUN OUT OF FUEL FOR THE FUEL ROD FABRICATING PLANT AT THE END OF AUGUST.

4. THE NRC JULY 2 IN A SPLIT 3-1 DECISION ISSUED THE LICENSE FOR THE PARTIAL SHIPMENT. IN RENDERING THIS DECISION, THE NRC TOOK NOTE OF THE PROVISIONS OF THE 1963 AGREEMENT WITH INDIA RELATING TO REPURCHASE OF SPENT FUEL BY THE U.S. AND URGED THE DEPARTMENT OF STATE TO EXPLORE WITH THE GOI THIS POSSIBILITY. IN CONNECTION WITH THE TARAPUR LICENSE QUESTION, AMBASSADOR SAXBE RETURNED TO THE U.S. FOR CONSULTATIONS AND MET WITH A NUMBER OF CONGRESSIONAL FIGURES IN SUPPORT OF THE LICENSE FOR THE PARTIAL SHIPMENT. THE AMBASSADOR MADE THE POINT THAT THE HEARINGS IN JULY WOULD PROVIDE A FULL OPPORTUNITY TO AIR ALL PERTINENT ISSUES AND PENDING A DECISION ON THESE THE NRC SHOULD PERMIT THE INDIANS ENOUGH FUEL TO KEEP TARAPUR IN OPERATION.

5. FYI ONLY. IN ADDITION TO BROADER QUESTIONS INVOLVED IN CONTINUED SHIPMENTS TO TARAPUR, THE NRC HAS BEEN CONCERNED ABOUT THE POSSIBLE REPROCESSING OF U.S. ORIGIN SPENT FUEL AT AN INDIGENOUS REPROCESSING PLANT WHICH THE INDIANS HAVE BEEN CONSTRUCTING ADJACENT TO THE TARAPUR ATOMIC POWER STATION. SUCH A POSSIBILITY WAS ENVISAGED IN THE 1963 INDO-U.S. AGREEMENT BUT, BEFORE U.S. FUEL CAN BE REPROCESSED, THE U.S. MUST MAKE A DETERMINATION THAT THE INDIAN REPROCESSING PLANT IS ADEQUATELY SAFEGUARDED. THIS DETERMINATION HAS NOT BEEN MADE AND THE QUESTION WOULD BECOME MOOT SHOULD THE U.S. EXERCISE THE REPURCHASE OPTION AS RECOMMENDED BY THE NRC.

CONFIDENTIAL

CONFIDENTIAL

PAGE 03 STATE 168134

6. ANOTHER IMPORTANT CONSIDERATION IN THE TARAPUR CASE IS THE FACT THAT USG FAILURE TO FULFILL ITS OBLIGATION TO SUPPLY THE FUEL WOULD PROVIDE THE GOI A BASIS FOR CONSIDERING ITSELF RELEASED FROM ITS OBLIGATIONS INCLUDING THE SAFEGUARD AND CONTROL PROVISIONS OF THE 1963 AGREEMENT. END FYI. KISSINGER

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: URANIUM, NUCLEAR POWER PLANTS, NUCLEAR FUELS, EXPORT LICENSES
Control Number: n/a
Copy: SINGLE
Draft Date: 07 JUL 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: KelleyW0
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976STATE168134
Document Source: CORE
Document Unique ID: 00
Drafter: DKUX/NH
Enclosure: DG ALTERED
Executive Order: GS
Errors: N/A
Film Number: D760262-0296
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760782/aaaacua.tel
Line Count: 113
Locator: TEXT ON-LINE, ON MICROFILM
Office: ORIGIN NEA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 76 ISLAMABAD 6798
Review Action: RELEASED, APPROVED
Review Authority: KelleyW0
Review Comment: n/a
Review Content Flags:
Review Date: 09 AUG 2004
Review Event:
Review Exemptions: n/a
Review History: WITHDRAWN <23 MAR 2004 by greeneet, REFER TO DOE>; APPROVED <09 AUG 2004 by KelleyW0>; RELEASED <09 AUG 2004 by KelleyW0>; APPROVED <09 AUG 2004 by KelleyW0>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: URANIUM SHIPMENT TO INDIA
TAGS: PFOR, MNUC, TECH, PK, IN
To: ISLAMABAD
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006